

**Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No. D.T.E. 02-24
Responses to the Attorney General's First Set of Information Requests**

Request No. AG-1-59

Please itemize and quantify all environmental cleanup costs incurred by the Company during each of the years 2000 and 2001. Please also provide a complete accounting of each year's costs including an indication of the amounts of each activity's costs that are included in the Company's operations and maintenance expenses.

Response:

The Company is undertaking a remediation plan for two former manufactured gas related sites as approved by the DEP under a Tier 1B Permit at its Sawyer Passway property. As discussed below, FG&E reports its remediation costs to the MDTE on an annual basis for inclusion in its Remediation Adjustment Charge (RAC). The Company has two sites, Sawyer Passway and Logan Street that required remediation and hence are included the RAC. Logan Street did not incur any costs during 2000 & 2001.

Please see Attachment AG-1-59 (4 pages) for an itemized list of all remediation costs incurred by the Company in 2000 & 2001. These costs were filed as part of the Form IV filing due January 31, 2001 and January 31, 2002 per order DPU 90-151/152/182/198. During 2001, Sawyer Passway incurred costs of \$152,498 (Page 1) and \$41,632 during 2000 (Page 3).

Each year, these costs are deferred and then amortized over a seven year period in accordance with the procedures established in the Department's order DPU 90-151/152/182/198. The Company amortized \$71,419.52 in 2000 and \$76,731.40 in 2001, which were included in the Company's operations and maintenance expenses. Because these costs are recovered through the RAC, they are not included in the filed cost of service.

In addition to the remediation costs mentioned above, there were environmental cleanup costs that did not flow through the RAC and were directly expensed. The amounts expensed were \$27,964.83 in 2001 and \$882 in 2000. The majority of these costs relate to meters disposed of at the Plympton dump site.

Person Responsible: Mark H. Collin